

No protest received
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CP:E:EO:T:5

MAY 30 1996

Employer Identification Number: [REDACTED]
Key District: [REDACTED]

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Based on the information submitted, we have concluded that you do not qualify for exemption under that section. The basis for our conclusion is set forth below.

You were incorporated under the [REDACTED]. You were also designated the industrial development agency. You constitute a public body, corporate and politic, exercising public powers of the [REDACTED] as an agency thereof. You have the right to hold hearings and issue subpoenas. You administer funds in excess of [REDACTED] dollars.

You have never held a hearing and you have not issued a subpoena since your inception.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable purposes.

Revenue Ruling 60-384, 1960-2, C.B. 172, holds that a wholly-owned state or municipal instrumentality that is a separate entity and a counterpart of an organization described in section 501(c)(3) of the Code may qualify for exemption under that section. However, the Revenue Ruling holds that it would not be a clear counterpart of a section 501(c)(3) organization if it is clothed with powers beyond those of an organization described in section 501(c)(3).

Revenue Ruling 74-14, 1974-1, C.B. 125, holds that a public housing authority that was incorporated under a state statute conferring upon it the power to conduct examinations and investigations and hold hearings and issue subpoenas did not qualify for exemption under section 501(c)(3) of the Code. The organization was not a clear counterpart of an organization

[REDACTED]

described in section 501(c)(3) of the Code because of the regulatory or enforcement powers it held.

While you have never exercised your subpoena power, the fact that you have the power precludes you from being considered a clear counterpart to an organization described in section 501(c)(3) of the Code.

Accordingly, you do not qualify for exemption as an organization described in section 501(c)(3) of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key district office. The appropriate State Officials will be notified of this action in accordance with Code section 6104(c).

When sending additional letters to us with respect to this case, you will expedite their receipt by using the following address:

Internal Revenue Service
Attn: CP:E:EO:T-5, room 6539
1111 Constitution Ave, N.W.
Washington, D.C. 20224

[REDACTED]
[REDACTED]

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

A copy of this letter is being sent to your authorized representative.

Sincerely,

(signed) Garland A. Carter

Garland A. Carter
Chief, Exempt Organizations
Technical Branch 5

CC: [REDACTED]

CL [REDACTED]

CD-61E0:7-5

CP-61E0:715

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]